



SPENDING PATTERN OF ISLAMIC CREDIT CARD

**A project paper submitted to the College of Business in partial fulfillment of the
requirements for the degree of Master of Science Management**

Universiti Utara Malaysia

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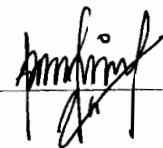
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ABSTRACT

The purpose of this study is to present a Spending Pattern of Islamic Credit Card. The objective of this paper is to examine the behavior and analyzed Spending Pattern of Islamic Credit Card and to identify the unique factors Islamic credit card and classify the various type of spending. In this research, the researcher empirically examines the extent and nature of credit card ownership and how these are impacted by consumer demographics and attitudes toward debt. The primary data collection using survey methodology. A sample of the population in Alor Setar, Kedah was utilized to gauge preferences and attitudes towards the use of credit cards. Data were gathered through questionnaires and was being analyzed by using Statistical Package for Social Science (SPSS) version 16. Throughout the statistical analysis - correlation analysis, it was found that there is a significant relationship between the two independent variables namely Spending Pattern with the dependent variables, Credit Card User. Among the independent variables, Customer Patronized is found to be the factor that contributes most to Credit Card User in the sample studied in Alor Setar, Kedah. The results indicate that all the hypothesized is a positive relationship between Spending Pattern and Credit Card User. That's mean the objective research to examine the behavior and analyzed Spending Pattern of Islamic Credit Card and to identify the unique factors Islamic credit card and also classify the various type of spending are achieved.

ABSTRAK

Tujuan kajian ini adalah untuk mengkaji corak perbelanjaan kad kredit secara Islam. Objektif kajian ini adalah untuk menganalisa tingkah laku dan corak penggunaan kad kredit Islam serta mengenalpasti faktor-faktor perbelanjaan. Dalam penyelidikan ini, penyelidik secara empirikal menganalisa sifat pemilik kad kredit dan impak pengguna terhadap hutang. Kaedah tinjauan telah digunakan untuk mengumpul data utama. Satu sampel penduduk di Alor Setar, Kedah telah digunakan bagi mengukur tingkahlaku dan sikap pengguna terhadap penggunaan kad kredit secara Islam. Data telah dikumpul melalui soal selidik dan dianalisa dengan menggunakan Pakej Statistik Sains Social (SPSS) versi 16. Sepanjang analisa statistik - analisa korelasi, terdapat satu hubungan antara dua pembolehubah bebas iaitu corak perbelanjaan dengan pengguna kad kredit. Antara pembolehubah bebas itu, kepuasan pelanggan didapati menjadi faktor yang menyumbang paling banyak kepada pengguna kad kredit yang terdapat didalam sampel di Alor Setar, Kedah. Keputusan hipotesis menunjukkan satu hubungan positif antara corak perbelanjaan dengan pengguna kad kredit. Kesimpulannya, objektif penyelidikan untuk menganalisa tingkah laku dan corak perbelanjaan kad kredit Islam serta mengklasifikasikan faktor perbelanjaan adalah tercapai.

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CHAPTER 1

INTRODUCTION

1.1 Introduction

Credit cards are now an important and integral part of the financial and payment systems of modern societies. They are used both as a convenient payment medium in place of cash and checks and as a means of obtaining short-term revolving credit. In some of the rich, economically developed countries of the world, credit card ownership is so widespread among consumers that penetration rates are approaching 100 percent. In many parts of the developing world too, credit cards are becoming increasingly available. Among all these cards, much focus is on credit cards which encourage people to spend beyond their means and get mired in debt. However, credit cards have enabled many more of us to achieve a better standard of living (Evans & Schmalensee, 2005).

Credit card or 'plastic money', however, has become a major source of controversy for Muslims in recent years. For the Muslims, the usage of the above mentioned conventional cards has become a question of great concern. Can we use them or can't we? Well, according to some Muslims, we can use the conventional credit cards, as long as we discipline ourselves and pay on time so as not to incur interest. To them, this is not going against the injunctions of Islam, as we are not indulging ourselves in the activities of *Riba*.

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